

12 Credit Unions join €2bn COVID-19 Credit Guarantee Scheme

From [Department of Enterprise, Trade and Employment](#)

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The Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar TD, today (Monday 25 January) announced the participation of two the largest Credit Union associations in Ireland, the Irish League of Credit Unions (ILCU) and the Credit Union Development Association (CUDA) in the government's COVID-19 Credit Guarantee Scheme.

This Scheme offers reduced interest rates on loans of up to 5 and a half years to Irish businesses responding to the impacts of COVID-19, including those in the farming and fishing sectors, with no personal guarantees required for loans under €250,000.

The Tánaiste said:

"Irish SMEs will now be able to borrow from a further twelve Credit Unions under the €2bn COVID-19 Credit Guarantee Scheme. These new providers, from the Irish League of Credit Unions and the Credit Union Development Association, have a wide geographical range, from Blanchardstown to Castlecomer, from Westport to Navan.

"Credit Unions are at the very centre of communities across the country. They have an excellent reputation in their local areas and understand the needs of their customers. Their inclusion will help further diversify the options available to small business under this Scheme."

The CUDA participating credit unions are Dundalk, Credit Union Plus (Navan), Capital Credit Union (Dundrum) and Blanchardstown and District Credit Union.

The ILCU affiliated credit unions with combined assets of c. €1.2 billion who are involved in the scheme are Carrickmacross Credit Union, Castlecomer Credit Union, Clonmel Credit Union, Connect Credit Union, Mullingar Credit Union, Progressive Credit Union, Tower Credit Union, and Westport Credit Union.

Loans provided under the scheme range from €10,000 to €1 million. Interest rates will vary depending on the loan, however they will be lower than would otherwise be available in the market. To apply for the scheme, businesses can contact a participating finance provider directly.

Minister of State at the Department of Finance, Séan Fleming said:

"I welcome today's announcement that a further twelve credit unions, supported by the Irish League of Credit Unions (ILCU) and the Credit Union Development Association (CUDA), will be participating in the COVID-19 Credit Guarantee Scheme, bringing the total number of credit unions in the scheme to nineteen. With their unrivalled local knowledge, credit unions are ideally placed to support the recovery and providing loans to local businesses is a key element of the recovery. Further development of SME lending in a controlled manner could also assist credit unions in growing and diversifying their loan book."

Minister for Agriculture, Food and the Marine Charlie McConalogue TD said:

"I am delighted with the addition of 12 credit unions to the COVID-19 Credit Guarantee Scheme. As well as providing a greater choice of lenders for farmers, fishers and food businesses, it will benefit rural communities, which continue to be well-served by the credit union movement. At this time of economic disruption, access to finance is critical to ensuring the ongoing viability of businesses, including those in the agri-food sector and I am pleased that my department is supporting this initiative."

The scheme is operated by the SBCI and delivered through the participating finance providers, allowing affected businesses to access additional financing through traditional lenders. 19 Credit Unions with multiple outlets are now participating finance providers in the COVID-19 Credit Guarantee Scheme.

ENDS

Notes

Interested parties can find further information on the COVID-19 Credit Guarantee Scheme [here](#).

Businesses will be required to declare that their turnover or projected turnover has been reduced by 15% as a result of COVID-19. The scheme will provide medium to long term liquidity finance. It is situated between the shorter term COVID-19 Working Capital scheme and the long-term Future Growth Loan Scheme being offered by the government.

Since launch in September, the participating finance providers were AIB, Bank of Ireland and Ulster Bank. Since December Linked Finance, CaptialFlow and Finance Ireland and Metamo Credit Unions have successfully become finance providers in the CCGS.

Businesses need not previously have been clients of a participating provider to apply for lending from those providers. Loans of up to €1 million are available for up to 5.5 years. No personal guarantees or collateral is required for loans under €250,000. All loans have reduced interest rates demonstrated in the agreement documents with the participating enterprise.

The scheme will be available until the end June 2021.

The COVID-19 Credit Guarantee Scheme operates under the State Aid Temporary Framework introduced in response to the pandemic.

About ILCU

The Irish League of Credit Unions (ILCU) is the largest credit union representative body on the island of Ireland. Founded in 1960 with the aim of providing representation, leadership, co-operation, support and development for credit unions in both Northern Ireland and the Republic of Ireland, the ILCU today has an affiliated membership of 326 credit unions – 234 in the Republic and 92 in the North. Membership of the ILCU is open to every credit union in Ireland.

The credit union movement is built on an ethos of mutuality, volunteerism, self-help and not for-profit philosophy. The ILCU, as an advocate of this ethos, has a vision to influence, inspire, and support the credit union movement to achieve all its goals – social, economic and cultural – while always respecting the individual's rights and dignity.

More information [here](#).

About CUDA

Incorporated in 2003, today CUDA is proud to serve 50 of Ireland's most progressive credit unions with a strong voice, leadership and value-creating solutions which enhance strategic and operational capabilities.

CUDA provides essential lending and financial services to people and companies across Ireland. Their credit unions are owned by their members, meaning benefits flow to people and communities rather than short-term focused financial investors. A membership base of 3.4m and strong brand approval demonstrate people CUDA's desire to focus on the ethical approach which credit unions champion.

More information [here](#).